13.11.2016

Yarns Limited
Regd. Office : SCO # 191-192, Sector 34-A,
Chandigarh - 160 022 INDIA
CIN : LI7115CH1990PLC010566
Phones : +91-172-2603966, 4612000, 4613000
Fax : +91-172-4614000
e-mail : exports@winsomegroup.com
website: www.winsomegroup.com

Script Code : 514348

BSE Limited
Dept. of Corporate Service
1st Floor, New Trading Ring
Rotunda Building, P. J. Towers
Dalal Street, Fort, **MUMBAI-400001**

National Stock Exchange of India Ltd
Listing Department
"Exchange Plaza" Bandra-Kurla Complex
Bandra (E), **MUMBAI – 400051**

Script Code : WINSOME

Sub : Outcome of Board Meeting (Unaudited Financial Results # Qtr-Sep, 2016)

Dear Sir/Madam,

Pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), please find enclosed herewith Audited Financial Results of the Company for the Quarter ended 30th September, 2016, duly approved by the Board of Directors of the Company, at its meeting held on 13.11.2016

Also enclosed a copy of the Limited Review Report of the Auditors of the Company, as required under Regulation 33 of the Listing Regulations.

The meeting of the Board of Directors of the Company commenced at **4.30 P..M.** and concluded at 6.25 P.M.

This is for your information and records please.

Thanking you,

Yours faithfully,
For WINSOME YARNS LIMITED

WINSOME YARNS LIMITED * CIN-L17115CH1990PLC010566 *

(K. V. SINGHAL)
GM (Legal) & Company Secretary
Mobile No. 09914030030
Email : kvsinghal@winsomegroup.com, cshare@winsomegroup.com

Encl : as above.

IS/ISO 9001

Member
The Winsome Group

WINSOME YARNS LIMITED

Regd.Office: SCO # 191-192, Sector 34-A, Chandigarh - 160022

CIN : L17115CH1990PLC010566,Email – cshare@winsomegroup.com, Website – www.winsomegroup.com Phone No.91-172-4613000, Fax No.91-172-4614000

UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED ON 30TH SEP. 2016

PART-I

Rs.in lacs

Sr. No.	Particulars	Unaudited			Unaudited		Audited
		Quarter Ended			Six Months Ended		Year Ended
		30.09.2016	30.06.2016	30.09.2015	30.09.2016	30.09.2015	31.03.2016
1	Income from operations						
	(a) Net Sales/Income from operations(Net of Excise Duty)	8537	9634	8934	18171	18214	35115
	(b) Other Operating Income	557	431	525	988	1300	2353
	Total Income from operations (Net)	**9094**	**10065**	**9459**	**19159**	**19514**	**37468**
2	Expenses						
	(a) Cost of Material consumed	6968	6266	6923	13234	13785	25740
	(b) Purchase of stock-in-trade	-	5	-	5	-	137
	(c) Changes in Inventories of finished goods,Work in progress & stock in trade	(1,484)	305	(824)	(1,179)	(594)	(525)
	(d) Employee Benefit expense	832	770	747	1602	1472	2767
	(e) Depreciation & Amortisation expenses	436	435	429	871	860	1878
	(f) Power & Fuel(net)	943	1010	1078	1953	2226	4376
	(g) Other expenses	1790	1628	1060	3418	2155	5907
	Total Expenses	**9485**	**10,419**	**9,413**	**19904**	**19904**	**40,280**
3	**Profit /(Loss) from Operations before other Income, Finance cost & Exceptional Items(1-2)**	**(391)**	**(354)**	**46**	**(745)**	**(390)**	**(2,812)**
4	Other Income	12	67	25	79	75	419
5	**Profit /(Loss) from ordinary activities before Finance cost & Exceptional Items (3+4)**	**(379)**	**(287)**	**71**	**(666)**	**(315)**	**(2,393)**
6	Finance cost	11	10	15	21	33	607
7	**Profit /(Loss) from ordinary activities after finance cost but before Exceptional Items (5-6)**	**(390)**	**(297)**	**56**	**(687)**	**(348)**	**(3,000)**
8	Exceptional Items	-	-	444	-	444	-
9	**Profit /(Loss) from Ordinary Activities before Tax (7-8)**	**(390)**	**(297)**	**(388)**	**(687)**	**(792)**	**(3,000)**
10	Tax Expense						
	- Current Tax	-	-	-	-	-	-
	- Deferred Tax Liability/(Asset)	-	-	-	-	-	-
11	**Net Profit/(Loss) from ordinary activities after tax (9-10)**	**(390)**	**(297)**	**(388)**	**(687)**	**(792)**	**(3,000)**
12	Extraordinary items	-	-	-	-	-	
13	**Net Profit/(Loss) for the period (11-12)**	**(390)**	**(297)**	**(388)**	**(687)**	**(792)**	**(3,000)**
14	Paid - up Equity Capital (Face Value – Rs. 10/- each)	7071	7,071	7,071	7071	7071	7,071
15	Reserves excluding Revaluation Reserve as per Balance Sheet of previous accounting year						(18,945)
16	Earnings Per Share of Rs 10/- each (Not Annualised) - Basic & Diluted (Rs.)	(0.55)	(0.42)	(0.55)	(0.97)	(1.12)	(4.24)

WINSOME YARNS LIMITED * CIN-L17115CH1990PLC010566 *

LODHA & CO.

WINSOME YARNS LIMITED

Regd. Office: SCO # 191-192, Sector 34-A, Chandigarh - 160022

	Statement of Assets & Liabilities	(Rs in Lacs) Unaudited	Audited
		Standalone	
	Particulars	Half Year Ended	Year Ended
		30.09.2016	31.03.2016
I.	EQUITY & LIABILITIES		
(1)	Shareholders' Funds		
(a)	Share Capital	7,082	7,082
(b)	Reserves & Surplus	(22,646)	(21,954)
	Sub-total- Shareholders' fund	(15,564)	(14,872)
(2)	Non- Current Liabilities		
(a)	Long Term Borrowings	49,191	49,917
(b)	Long Term Provisions	138	119
	Sub-total- Non- Current Liabilities	**49,329**	**50,036**
(3)	**Current Liabilities**		
(a)	Short Term Borrowings	-	0
(b)	Trade Payables	5,566	5,220
(c)	Other Current Liabilities	9,241	8,669
(d)	Short Term Provisions	14	14
	Sub-total- Current Liabilities	**14,821**	**13,903**
	TOTAL-EQUITY AND LIABILITIES	**48,586**	**49,067**
II.	**ASSETS**		
(1)	**Non- Current Assets**		
(a)	Fixed Assets	24,982	25,816
(b)	Non Current Investment	-	-
(c)	Deferred Tax Asset (Net)	-	-
(d)	Long term loans & advances	1,150	855
	Sub-total- Non- Current Assets	**26,132**	**26,671**
(2)	**Current Assets**		
(a)	Current Investment	2,679	2,679
(b)	Inventories	6,095	5,051
(c)	Trade receivables	11,741	12,218
(d)	Cash & bank balances	320	575
(e)	Short term Loans & Advances	872	926
(f)	Other Current Assets	747	947
	Sub-total- Current Assets	**22,454**	**22,396**
	TOTAL – ASSETS	**48,586**	**49,067**

Notes:

1. The above results have been reviewed by the Audit committee and approved by the Board of Directors in their meeting held on 13th November 2016.The above results have been limited reviewed by the statutory Auditors.
2. The company is only in one line of business namely Textiles (Yarn, Knitwear & related revenue) .
3. Consequent to erosion of entire net worth the company had filed reference to the Hon'ble Board for Industrial and Financial Reconstruction (BIFR) under Sick industrial company (Special Provision Act. 1985), (SICA), which had since been registered and next date of hearing is yet to be fixed.
4. Auditors remarks on the accounts for the year ended 31st Mar.2016 (a) Regarding pending confirmation/reconciliation of balances of certain receivables (including overseas overdue receivables), bank balances, payables (including associate company),secured loans, contingent and other liabilities, loans and advances- impact unascertainable).: Management response : these accounts are in process of confirmation/reconciliation. The Management is of the opinion that adjustment, if any ; arising out of such reconciliation would not be material.(b) Regarding Non provision against certain overdue receivables and loan & advances.; Management response ; the management has already initiated necessary steps for the recovery/ reconciliation of the same .(c) Regarding accounting of consumption of Raw Material and Stores & Spares as balancing figure And valuation of inventories is as taken valued and certified by the management (Impact unascertainable).:Management response : Accounting is being done as per past practice through system on issue based consumption.(d) Non-provision against impairment (as per AS-28) in value of assets of Knitwear unit(CGU)and [Impact unascertainable]: Management response : The Company will reassess the value of CGU and the resulting impairment loss on sanction by the lenders of corrective Action Plan or Reworking of its Debts, and adjustment of impairment and lenders liability, if any, will be accounted in books of account of the company concurrently therewith.(e) Regarding non-provision for penal interest and penalty; Management response:read with note no.6 as stated below. (f) Regarding pending receipt of part money of GDR; Management response : Read with note no.5 as stated below. (g) regarding non-provision for interest and penalty on statutory dues :Management response : the same will be provided / accounted for as and when paid.(h) Pending appointment of independent Director:Management response :Company is in process to appoint an independent director.(i)Regarding Written off/ Writtten back and adjustment/set off of receivable/ payables pending necessary approval :Management response ; the company is in process of obtaining necessary approvals.
5. An amount of USD 60,49,664(balance against GDR issue of 19,94,125 nos. made in financial year 2010-11,entitling 19,94,12,500 fully paid up equity shares of Re.1/- each at Rs.2.97 per share including premium) (now 1,99,41,250 fully paid up equity shares of Rs.10/- each at Rs.29.70 including premium on account of consolidation) is invested in money market fund outside India. The balance issue proceeds of Rs.2679.34 lacs are pending to be utilised, since not been called.The GDR which was earlier listed with Luxembourg stock exchange has been delisted
6. Due to continuous losses and financial tightness, the company has not been able to fully pay due installments & interest on term loan on due dates & certain overdue amount is continuing/ unpaid till date (as detailed in note no.5.6 of audited financial statement for the period ended 31st March 2016). Interest on term loans and working capital including overdue amount, penal interest etc. (amount unascertained) has not been provided and as the same will be provided / accounted for as and when paid/settled as the company is in process of discussion/ applying for getting loans to be restructured by the lenders/ARC. Six of banks have assigned and transferred the total debts due from the Company alongwith the underlying rights, title and interests in financial assistances granted to the Company to an Asset Reconstruction Company (ARC). Pending final settlement from ARC, the Company has shown the debts due to the above stated banks under Long Term Borrowings
7. Previous periods/quarter/year figures have been regrouped and/or re-arranged wherever necessary to make their classification comparable with current period.

For & on behalf of Board

Manish Bagrodia

Place: Kasauli

WINSOME YARNS LIMITED

Regd.Office: SCO # 191-192, Sector 34-A, Chandigarh - 160022

CIN : L17115CH1990PLC010566,Email – cshare@winsomegroup.com, Website – www.winsomegroup.com, Phone No.91-172-4613000, Fax No.91-172-4614000

EXTRACT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED ON 30TH SEP. 2016

PART-I

Rs.in lacs

Sr. No.	Particulars	Unaudited					Audited
		Quarter Ended			Half Year Ended		Year Ended
		30.09.2016	30.06.2016	30.09.2015	30.09.2016	30.09.2015	31.03.2016
1	Total Income from operations (Net)	9094	10065	9459	19159	19514	37468
2	Net Profit/(Loss) from ordinary activities after tax	(390)	(297)	(388)	(687)	(792)	(3,000)
3	Net Profit/(Loss) for the period after tax (after extraordinary items)	(390)	(297)	(388)	(687)	(792)	(3,000)
4	Paid - up Equity Capital (Face Value – Rs. 10/- each)	7,071	7,071	7,071	7,071	7,071	7,071
5	Reserves excluding Revaluation Reserve as per Balance Sheet of previous accounting year						
6	Earnings Per Share (before Extraordinary items)of Rs 10/- each (Not Annualised) - Basic & Diluted (Rs.)	(0.55)	(0.42)	(0.55)	(0.97)	(1.12)	(4.24)
7	Earnings Per Share (before Extraordinary items)of Rs 10/- each (Not Annualised) - Basic & Diluted (Rs.)	(0.55)	(0.42)	(0.55)	(0.97)	(1.12)	(4.24)

Notes:

1. The above is an extract of the detailed format of results for quarter/year ended on 13th Nov. 2016 filed with the stock exchange under Regulation-33 of the SEBI (Listing and Other Disclosure Requirements) Regulation ,2015. The full format of the standalone quarterly/ nine months results are available on the website of the Stock Exchanges(www.bseindia.com, www.nseindia.com) and the company's website(www.winsomegroup.com)
2. The above results have been reviewed by the Audit committee and approved by the Board of Directors in their meeting held on 13th Nov. 2016.

For and on behalf of Board of Directors

WINSOME YARNS LIMITED * CIN-L17115CH1990PLC010566 *

Manish Bagrodia

Place: Kasauli
Date : 13th Nov. 2016

LODHA
& CO
Chartered Accountants

12, Bhagat Singh Marg, New Delhi - 110 001, India
Telephone : 91 11 23710176 / 23710177 / 23364671 / 2414
Fax : 91 11 23345168 / 23314309
E-mail : delhi@lodhaco.com

To
The Board of Directors,
Winsome Yarns Limited,
SCO 191-192, Sector 34-A
Chandigarh-160022.

Subject: Limited Review Report for the Quarter ended 30th September 2016.

1. We have reviewed the accompanying statement of unaudited financial results ("the statement") of **Winsome Yarns Limited** ("the Company") for the Quarter/six month ended September 30th, 2016. This statement is the responsibility of the Company's management and has been approved by the Board of Directors in their meeting held on 13th November 2016. Our responsibility is to issue a report on these financial statements based on our review.

2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

3. **Basis for Qualified Opinion:**

Attention is invited to following:-

i. ***In view of the accumulated losses {also to be read with para (viii) under the head 'Basis for Qualified Opinion', of Our Audit Report for the year ended 31.03.2016 and Note No. 2.12(b) of Audited Accounts as on that date}, the net worth of the Company become negative. Accounts have been prepared, by the management on going concern basis considering the proposed rehabilitation, future business plans and expected cash flows. In the event of the same not being held to be a going concern and various assets and liabilities being consequently required to be adjusted with respect to their realizable value, the impact thereof has not been ascertained and therefore cannot be commented upon by us [This to be read together with accounting policy- Note No. 1.1 of Audited Financial Statements for the year ended 31.03.2016 and Note No. 3 of accompanying Statement].***

ii. *Regarding non provisioning of Interest Expenses of Rs. 14639.22 Lacs (Rs. 10583.08 Lacs for the year ended 31.03.2016, Rs. 12547.07 Lacs for the quarter ended 30th June 2016 and Rs. 6801.77 Lacs for the quarter ended 30th September 2015), penal interest, penalty etc. (amount unascertainable). [This to be read with note no. 2.25 of Audited Financial Statements for the year ended 31.03.2016 and Note No. 4(e) & 6 of accompanying Statement].*

iii. *Regarding Written Off /Written Back and Adjustment/Set Off of payment of receivables/payables from/to overseas parties/suppliers which is pending necessary approval [This to be read with note no. 2.8(c), 2.8(d) and 2.9(a) of Audited Financial Statements for the year ended 31.03.2016 and Note No. 4(i) of accompanying Statement].*

iv. *Regarding pending confirmation / reconciliation of balances of certain receivables, (including overseas overdue receivables as stated in note no.2.8 of Audited Financial*

LODHA & CO. New Delhi

Statements for the year ended 31.03.2016) bank balances, payables (including of an Associate Company), secured loans, other liabilities, loans and advances etc; and contingent liability being considered as certified by the management in the absence of full detail, in this respect impact is unascertainable and cannot be commented upon by us. In our view read with said note internal control needs to be further strengthened. [This to be read with note no. 2.14 of Audited Financial Statements for the year ended 31.03.2016 and Note No. 4(a) of accompanying Statement].

v. *Regarding non-provision against receivables (including of oversea overdue debtors of amounting to Rs. 5746.25 Lacs (Rs. 6173.94 Lacs as at 31st March 2016, Rs.5960.45 Lacs as at 30th June 2016 and Rs.6567.94 Lacs as at 30th September 2015) [including accounting of exchange fluctuation of Rs. 897.98 lacs (Rs. 897.86 Lacs as at 31st March 2016, Rs. 898.28 Lacs as at 30th June 2016 and Rs. 897.87 Lacs as at 30th September 2015)] and loans and advances (including other current assets) of Rs. 9630.71 Lacs (Rs. 10357.62 Lacs as at 31st March 2016, Rs. 9882.49 Lacs as at 30th June 2016 and Rs. 10744.25 Lacs as at 30th September 2015) and Rs. 1372.37 Lacs(Rs. 1743.40 lacs as at 31st March 2016, Rs. 1604.39 Lacs as at 30th June 2016 and Rs. 2424.27 Lacs as at 30th September 2015) respectively. The accounting of exchange fluctuation is not in line with generally accepted accounting principles and Accounting Standards 11 (AS-11)- "The Effect of Changes in Foreign Exchange Rates".[This to be read with Note No. 2.8 (a)&(b) and Note no. 2.11 respectively of Audited Financial Statements for the year ended 31.03.2016 and Note No. 4(b) of accompanying Statement].*

vi. *Regarding accounting of consumption of Raw Material and Stores & Spares as balancing figure and the valuation of inventories is as taken, valued and as certified by the management. [This to be read with Note No. 2.22(A)(iv)(a) to (d) of Audited Financial Statements for the year ended 31.03.2016 and Note No. 4(c) of accompanying Statement].*

vii. *The company have carried out assessment of value in use of assets [as per AS-28 (Impairment of Assets)] of knitwear unit (a CGU) by an independent professional firm, based on this estimated impairment loss is of amounting to Rs.1604.56 Lacs (net of depreciation) (Rs. 1853.72 Lacs as at 31st March 2016, Rs. 1732.37 Lacs as at 30th June 2016 and Rs. 2109.37 Lacs as at 30th September 2015). However, no provision against the same has been made by the company for the reason as explained in the note no. 4(d) of the accompanying statement. The Non-provision against impairment in value of above stated assets is not in line with AS-28. [This to be read with Note No. 2.5 of Audited Financial Statements for the year ended 31.03.2016]*

viii. *Regarding pending receipt of part money of amounting to USD 50,72,110 (Rs. 2679.34 lacs) out of the GDR issue made by the company and as explained lying outside India [i.e. balance amount against GDR issue of 19,94,125 nos. made in financial year 2010-11, entitling 19,94,12,500 fully paid up equity shares of Re.1/- each at Rs.2.97 per share including premium (now 1,99,41,250 fully paid up equity shares of Rs.10/- each at Rs.29.70 including premium)].In respect of realisability/receipt we are unable to comment. As explained, above stated amount is invested in money market fund outside India, pending for utilization. [This to be read with Note No. 2.3 of Audited Financial Statements for the year ended 31.03.2016 and Note No. 4(f) and 5 of accompanying Statement].*

ix. *Regarding non-provisions of Interest, Penalty etc. on delay/non-payment of certain statutory dues on time w.r.t. Employee State Insurance, Provident Fund, Punjab Welfare Fund, Tax Deducted at source, Tax Collected at source and Service Tax, Sales Tax etc. (amount unascertainable) and our inability to comment the impact on the loss for the Quarter.*

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[This to be read with Note No. 2.23 (read with note no. 2.14) of Audited Financial Statements for the year ended 31.03.2016 and Note No. 4(g) of accompanying Statement].

x. *Regarding pending appointment of requisite number of independent directors. [This to be read with Note No. 2.27 of Audited Financial Statements for the year ended 31.03.2016 and Note No.4 (h) of accompanying Statement].*

xi. *In view of our comment under para (i) to (ix) above and on our comments w.r.t. the internal control system which needs to be further strengthened to be made the same commensurate with the size of the Company and the nature of its business for the purchases and consumption of inventory, booking of the expenses, set off of balances and for the sale of goods and services.*

Our opinion was also qualified for the quarter/year ended 31st March 2016, quarter ended 30th June 2016 and quarter ended 30th September 2015 in respect of matters reported in (i) to (xi) above.

Qualified Conclusion

4. **Based on our review conducted as above except for the effect of our observations stated in para 3 (Basis for Qualified Opinion) (ii), (v) and (vii) and possible effect of other stated in para 3 (i), (iii), (iv), (vi), (viii), (ix), (x) and (xi) above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable Accounting Standards specified u/s 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules,2014 as amended and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement. Also quantification in respect of above stated qualifications have not been disclosed in the said quarterly unaudited financial results.**

Place: New Delhi
Dated: 13.11.2016

LODHA & CO. New Delhi Chartered Accountants

For Lodha & Co.,
Chartered Accountants
Firm Registration No. 301051E

(Gaurav Lodha)
Partner
M. No. 507462